



# Performance and Accountability Report

Fiscal Year 2005



Homeland  
Security

# Core Values:

Personal attributes expected of every DHS employee

**Integrity:** “Service before Self” Each of us serves something far greater than ourselves. To our nation, we represent the President. To the world, seeking to visit or do business with us, we are often the first Americans they meet. We will faithfully execute the duties and responsibilities entrusted to us, and we will maintain the highest ethical and professional standards.

**Vigilance:** “Guarding America” We will relentlessly identify and deter threats that pose a danger to the safety of the American people. As a Department, we will be constantly on guard against threats, hazards, or dangers that threaten our values and our way of life.

**Respect:** “Honoring our Partners” We will value highly the relationships we build with our customers, partners and stakeholders. We will honor concepts such as liberty and democracy, for which America stands.

# Guiding Principles:

The philosophy that informs and shapes decision making and provides normative criteria that governs the actions of policy makers and employees in performing their work

**Integrate Our Actions:** We will blend 22 distinct agencies and bureaus, each with its employees, mission and culture, into a single, unified Department whose mission is to secure the homeland. DHS will be a cohesive, capable and service-oriented organization whose cross-cutting functions will be optimized so that we may protect our Nation against threats and effectively respond to disasters.

**Build Coalitions and Partnerships:** Building new bridges to one another are as important as building new barriers against terrorism. We will collaborate and coordinate across traditional boundaries, both horizontally (between agencies) and vertically (among different levels of Government). We will engage partners and stakeholders from Federal, State, local, tribal and international governments, as well as the private sector and academia. We will work together to identify needs, provide service, share information, and promote best practices. We will foster inter-connected systems, rooted in the precepts of federalism that reinforce rather than duplicate individual efforts. Homeland security is a national effort, not solely a federal one.

**Protect Civil Rights and Civil Liberties:** We will defend America while protecting the freedoms that define America. Our strategies and actions will be consistent with the individual rights and liberties enshrined by our Constitution and the Rule of Law. While we seek to improve the way we collect and share information about terrorists, we will nevertheless be vigilant in respecting the confidentiality and protecting the privacy of our citizens. To suggest that we must trade our civil liberties for security is a false choice; we can and we will protect both.

**Develop Human Capital:** Our most valuable asset is not new equipment or technology, but rather our dedicated and patriotic employees. Their contributions will be recognized and valued by this Department. We will hire, train and place the very best people in jobs to which they are best suited. We are committed to personal and professional growth and will create new opportunities to train and to learn. We will create a model human resources management system that supports equally the mission of the Department and the people charged with achieving it.

**Innovate:** We will introduce and apply new concepts and creative approaches that will help us meet the challenges of the present and anticipate the needs of the future. We will support innovation and agility within the public and private sector, both by providing resources and removing red tape so that new solutions reach the marketplace as soon as possible. We will harness our Nation's best minds in science, medicine and technology to develop applications for homeland security, and we will nurture the next generation by providing incentives for students who choose security-related fields. Above all, we will look for ways to constantly improve—we will recognize complacency as an enemy.

**Be Accountable:** We will seek measurable progress as we identify and prioritize vulnerabilities and detect evolving threats to the American homeland. We will assess our work, evaluate the results, and incorporate lessons learned to enhance our performance. We will reward excellence and fix what we find to be broken. We will communicate our progress to the American people, operating as transparently as possible and routinely monitoring our progress.

## Message from the Secretary

NOVEMBER 15, 2005



I am pleased to provide the Department of Homeland Security's Performance and Accountability Report for fiscal year 2005. The report provides a clear view of the Department's achievements and focused goals to preserve our freedoms and protect our homeland. When I was given the opportunity earlier this year to lead this outstanding Department, I quickly determined that while as a whole it is still relatively new, the people who make up its soul have a deep seated passion. It's the drive to succeed that inspires everyone who works with this organization. The progress made since the inception of the Department has been outstanding, and I have every confidence that the nation can expect the same dedication to duty and excellence that I immediately recognized upon my arrival.

While we all can be very proud of our accomplishments and confident of continued success, the Department is committed to self-evaluation and improvement. The Department just completed a comprehensive review of our operations, policies

and structures, a process known as the Second Stage Review (2SR). This review examined nearly every element of the Department of Homeland Security in order to recommend ways that we could: better manage risk in terms of threat, vulnerability and consequence; prioritize policies and operational missions according to this risk-based approach; and establish a series of preventive and protective steps that would increase security at multiple levels.

We began 2SR with several core principles in mind. First, the Department must base its work on priorities that are driven by risk and pursued with balance. Our goal is to optimize our security, but not security at any price. Our security strategy must promote Americans' freedom, privacy, prosperity, and mobility. Second, our Department must drive improvement with a sense of urgency. The clock is ticking – as the events of the last few months have all too tragically shown. Natural disasters must be planned for and recovery plans must be robust. Also, terrorism will not relent, and we cannot afford to fall behind. Third, the Department must be an effective steward of public resources – setting priorities, meeting those priorities, utilizing sound financial management, measuring performance and share the results, and fostering innovation. Finally, our work must be guided by the understanding that effective security is built upon a network of systems that spans all levels of government and the private sector. DHS does not, and should not, own or control all of these systems. We must set a clear national strategy and design an architecture in which separate roles and responsibilities for security are fully integrated among public and private stakeholders. In doing that, we must draw on the strength of our considerable network of assets, functioning as seamlessly as possible with state and local leadership, first responders, the private sector, our international partners, and, most certainly, the general public. Based on the conclusions drawn from this review, I created a Six-Point Agenda for the Department of

Homeland Security to ensure that the Department's policies, operations, and structures are aligned in the best way to address the potential threats – both present and future – that face our nation.

This Six-Point Agenda will guide the Department in the near term and set the course for the future.

The six points are:

1. Increase overall preparedness, particularly for catastrophic events either natural or manmade;
2. Create better transportation security systems to move people and cargo more securely and efficiently;
3. Strengthen border security and interior enforcement and reform immigration processes;
4. Enhance information sharing with our partners;
5. Improve DHS financial management, human resource development, procurement and information technology; and
6. Realign the DHS organization to maximize mission performance.

As we remained open to change and improvement, our Department's accomplishments had a substantial positive impact on our nation's security.

Hurricanes Katrina and Rita and their aftermath presented this Department with unique challenges. Federal support to state and local officials, volunteer organizations and victims and their families who have been devastated by these hurricanes continues around the clock in an effort to provide recovery support to those affected by these unprecedented natural disasters. The men and women of the Federal Emergency Management Agency, the U.S. Coast Guard, Customs and Border Protection, Immigration and Customs Enforcement, the Transportation Security Administration and others have spent countless hours working to distribute federal aid and conduct search, rescue, and response missions throughout the Gulf Coast region. Within the Office of the Inspector General, we established an Office for Hurricane Katrina Oversight. This office, along with other initiatives within the Department's CFO and CPO offices, focuses on preventing problems through a proactive program of internal control reviews and contract audits to ensure disaster assistance funds are being spent wisely. These are some of the more well known ways we are performing our duties in the wake of these tragedies, but the tireless determination and self-sacrifice of thousands of Department employees and volunteers will surely be integral to lasting recovery.

A full accounting of the response to Hurricane Katrina will yield lessons for the Department and indeed the entire federal government, and these lessons will be signposts for improving the government's response to future disasters. This tragedy has emphasized how critical it is that we ensure our planning and response capabilities perform with seamless integrity and efficiency in any type of disaster situation—even one of such cataclysmic nature. The Department's Preparedness Directorate currently is working with federal, state, and local officials to review the emergency operational plans of every major urban area to ensure that those plans are clear, detailed, and up-to-date. These steps are just the beginning, and in the weeks and months ahead, we will move forward to enhance our preparedness capability and ensure that the United States is ready to meet any type of threat or disaster with which we are faced.

Following train bombings around the world, the Department took important action not only by increasing funding for rail security, but by conducting over 2,600 individual consequence assessments. The Transportation Security Administration and the Federal Transit Administration are working together with the transit industry and with first responders to strengthen the overall security capabilities of our



transit systems, with a special emphasis on the largest systems. Together, we have developed a significant tool-kit of protective measures, which include the coordination and training needed to recover from a possible attack. Multiple funding streams within the Department have been made available to support these kinds of transit-oriented projects, including eligibility for roughly \$8.6 billion under our State Homeland Security and Urban Area Security Initiative grant programs.

We are also determined to increase our focus on the job of better sharing the intelligence we gather and the intelligence we analyze with our customers inside the Department, with the intelligence community as a whole, and with our frontline first responders at the state and local level. Therefore, we designated the Assistant Secretary for Information Analysis as the Chief Intelligence Officer for the Department of Homeland Security. The Chief Intelligence Officer heads a strengthened Intelligence and Analysis division that reports directly to me. This office ensures that intelligence is coordinated, fused and analyzed within the Department so that we have a common operational picture of what's going on and provides the primary source of information for state, local and private sector partners.

The ability of undocumented individuals to enter our country represents an obvious homeland security threat. Flagrant violation of our borders undercuts the rule of law, undermines our security, and imposes particular economic strains on our border communities. When we do not control our borders, we also risk entry into the U.S. of terrorists or others wishing to do us harm. Ending illegal immigration means both tough enforcement and action to reduce the demand that draws illegal migrants into the country. Therefore, we have developed a strategy for reforming our border security and immigration system. This strategy is a three-pillar, comprehensive approach that focuses on controlling the border, building a robust interior enforcement program, and establishing a Temporary Worker Program. I will continue working to implement this strategy with both the Executive and Legislative Branches.

The Department awarded over three billion in fiscal year 2005 grant appropriations to increase the preparedness and response capabilities of our local communities. This funding helped communities buy much needed equipment and training, as well as protect and secure critical infrastructure and key resource sites.

The Department also announced a substantial increase in port security grants this year. The FY 2005 Port Security Grant Program (PSGP) used a risk-based formula to allocate funds to protect our ports from acts of terrorism. The program fortifies security at our nation's ports by providing funding to increase protection against potential threats from small craft, underwater attacks and vehicle borne improvised explosives, and to enhance explosive detection capabilities aboard vehicle ferries and associated facilities.

To protect our communities, the Department's Immigration and Customs Enforcement bureau participated in Operation Community Shield, a law enforcement operation that resulted in the arrest of members of over 80 different gangs. Many were gang leaders with exceptionally violent criminal histories. Among the horrific crimes committed by some of the people we apprehended include murder, rape, assault, burglary, and weapons and narcotics offenses. Throughout the entire Community Shield initiative, the Department worked closely with international partners and with our domestic law enforcement partners at all levels to identify gang organizations and their memberships, and to act on this intelligence in order to target those criminal gangs who threaten our communities and our homeland.

The President's Management Agenda continues to guide the Department's efforts to make its programs more efficient, effective and results-oriented. We are making substantial progress in implementing the core government-wide initiatives: Strategic Management of Human Capital; Competitive Sourcing; Improved Financial Performance; Expanded Electronic Government; and Budget and Performance Integration. In addition, the Department continues to make real progress in meeting the two specific program initiatives of Federal Real Property Assets Management and Research and Development Investments. This year's report again discusses initiatives to transform the President's Management Agenda into the Department's own results agenda.

My assurance statements and information related to the Federal Managers' Financial Integrity Act's Section 2 and Section 4, the Department of Homeland Security Financial Accountability Act, as well as an assessment of performance data completeness and reliability, are provided in the Management Assurances section of this report.

So, moving forward together, let us continue building upon that which has been successfully founded over nearly three years at the Department of Homeland Security. We will proceed with unyielding focus and with determination.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Chertoff', with a long horizontal stroke extending to the right.

Michael Chertoff

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# Executive Summary

## Executive Summary

### WHO WE ARE

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**T**he U.S. Department of Homeland Security is a cabinet-level agency of the Executive Branch of the Federal government, responsible for leading the unified national effort to secure America. We prevent and deter terrorist attacks and protect against and respond to threats and hazards to the nation. We ensure safe and secure borders, welcome lawful immigrants and visitors, and promote the free flow of people and commerce across our borders.

To accomplish its mission, the Department in fiscal year 2005 was organized into five directorates and several components:

### DIRECTORATES

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- The **Information Analysis and Infrastructure Protection (IAIP) Directorate** identifies and assesses a broad range of intelligence information concerning threats to the nation, issues timely warnings and takes appropriate preventive and protective actions.
- The **Border and Transportation Security (BTS) Directorate** ensures the security of the nation's borders and transportation systems. Its first priority is to prevent the entry of terrorists and the instruments of terrorism while simultaneously ensuring the efficient flow of lawful traffic and commerce. BTS includes the following organizational elements:
  - U.S. Customs and Border Protection (CBP);
  - U.S. Immigration and Customs Enforcement (ICE);
  - Transportation Security Administration (TSA); and
  - Federal Law Enforcement Training Center (FLETC).
- The **Emergency Preparedness and Response (EP&R) Directorate** ensures that the nation is prepared for, and able to recover from, terrorist attacks and natural disasters. The core of emergency preparedness includes the Federal Emergency Management Agency (FEMA), which is responsible for reducing the loss of life and property and protecting the nation's institutions from all types of hazards through a comprehensive, emergency management program of preparedness, prevention, response and recovery;
- The **Science and Technology (S&T) Directorate** provides Federal, state and local operators with the technology and capabilities needed to protect the nation from catastrophic terrorist attacks, including threats from weapons of mass destruction; and
- The **Management Directorate** oversees the budget and expenditure of funds, financial management, procurement, human resources, information technology systems, facilities, property, equipment and other material resources, and identifies and tracks performance measures aligned with the Department's mission.

## COMPONENTS

- The **Office of the Secretary** includes components that share a direct reporting structure to the Secretary and Deputy Secretary. These components include the offices of the General Counsel, Civil Rights and Civil Liberties, Legislative Affairs, Public Affairs and International Affairs, as well as the Privacy Office and Counter Narcotics Office. The Office of the Chief Financial Officer reports directly to both the Secretary and the Under Secretary for Management;
- The **U.S. Coast Guard (USCG)** ensures maritime safety, mobility and security, protects our natural marine resources, and provides national defense as one of the five U.S. Armed Services;
- The **U.S. Secret Service (Secret Service)** protects the President and Vice President, their families, heads of state and other designated individuals; investigates threats against these individuals; protects designated facilities; and plans and implements security for designated national special security events. The Secret Service also investigates violations of laws relating to counterfeiting and financial crimes, including computer fraud and computer-based attacks on the nation's financial, banking and telecommunications infrastructure;
- The **U.S. Citizenship and Immigration Services (USCIS)** promotes citizenship values and provides immigration services to ensure that America continues to welcome visitors and those who seek opportunity within our shores while excluding terrorists and their supporters;
- The **Office of State and Local Government Coordination and Preparedness (SLGCP)** serves as a single point of contact for facilitation and coordination of departmental programs that impact state, local, territorial and tribal governments;
- The **Office of Inspector General (OIG)** serves as an independent and objective inspection, audit and investigative body to promote effectiveness, efficiency and economy in the Department's programs and operations.

## WHAT WE DO

**T**he more than 180,000 men and women of the Department of Homeland Security consistently achieve results that make our citizens more secure. We make the vision of a free but secure America a reality by ensuring that our borders remain open to legitimate travel and trade but closed to terrorists. We facilitate fast recoveries should disasters occur by proactively planning for natural and man-made disasters. Our daily activities are important in ensuring that Americans remain safe and secure.

Hurricanes Katrina and Rita were the focus of this Department at the end of the fiscal year and will continue demanding our time, attention and resources until recovery can be considered complete. Since the devastation was on such a large scale, our efforts will not end soon, but we are confident that this Department will continue to rise to the occasion and support the citizens it serves.

## ABOUT THE FISCAL YEAR 2005 PERFORMANCE AND ACCOUNTABILITY REPORT

**T**he Department of Homeland Security's *Fiscal Year 2005 Performance and Accountability Report* provides financial and performance information that enables the President, Congress and the public to assess the effectiveness of the Department's mission performance and stewardship of resources. Our annual performance-based budget request to Congress and the *Future Years Homeland Security Program* identify the resources needed to effectively and efficiently fulfill our mission to lead the unified national effort to secure America. Throughout the year, the Department managers and executives use the types of information presented in this report to help gauge performance against resources appropriated by Congress. Our performance measures are used to monitor our actions and enable executives to make decisions regarding future priorities. This *Performance and Accountability Report* includes a year-end report on achieving the performance targets the Department set for fiscal year 2005.

This report satisfies the reporting requirements of the following laws:

- *Federal Managers' Financial Integrity Act of 1982;*
- *Government Performance and Results Act of 1993;*
- *Government Management Reform Act of 1994;*
- *Clinger-Cohen Act of 1996;*
- *Reports Consolidation Act of 2000;*
- *Federal Information Security Management Act of 2002;*
- *Chief Financial Officer Act of 1990;* and
- *Department of Homeland Security Financial Accountability Act of 2004.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Section I, Management's Discussion and Analysis, provides an overview of the entire report. This section describes the Department's mission, organization and progress in implementing the strategic plan and the *President's Management Agenda*. This section highlights the most important performance and financial results of fiscal year 2005 against the performance budget for the year. This section also contains the Secretary's assurances and the controls and corrective actions that have been put in place to remedy material weaknesses. Also included is the Office of the Inspector General's (OIG) summary of the most important management and performance challenges facing the Department. Challenges identified in this year's OIG report include:

- Disaster Response and Recovery;
- Consolidating the Department's Components;
- Contract Management;

- Grants Management;
- Financial Management;
- DHS Financial Accountability Act;
- Human Capital Management;
- Integration of Information Systems;
- Security of Information Technology Infrastructure;
- Infrastructure Threat Assessment;
- Border Security;
- Transportation Security; and,
- Trade Operations and Security.

Management's response to the OIG report completes Management's Discussion and Analysis.

## PERFORMANCE INFORMATION

Section II, Performance Information, reports the Department's performance relative to each of its goals and provides an assessment of that information's completeness and reliability. This section also provides summaries of key evaluations of departmental programs and the Department's fiscal year 2005 budget.

In the Annual Performance Plan for 2005, as contained in the fiscal year 2006 Performance Budget Overview, we established 113 specific targets for each of our programs to achieve. The table below summarizes our success at meeting these targets broken down by Strategic Plan goals.

## FISCAL YEAR 2005

## Performance Summary

Strategic Goal	# of Performance Goal Targets	% of Targets Met
1. Awareness	11	82%
2. Prevention	47	68%
3. Protection	36	75%
4. Response	5	80%
5. Recovery	1	100%
6. Service	9	67%
7. Organizational Excellence	4	100%
Total	113	73%

In addition, to achieve these targets, other typical accomplishments include:

To increase **AWARENESS** we:

- Enhanced Maritime Domain Awareness by implementing a USCG joint operations command; and
- Released the findings of a joint Secret Service – Carnegie Mellon Software Engineering Institute's study on threats to critical infrastructure computer systems.

To heighten **PREVENTION** we:

- Denied entry to numerous known criminals and visa violators through the use of the Department's US-VISIT program's biometric identification system;
- Increased operational control of the Southwestern Border through CBP's Arizona Border Control initiative;
- Established the Fraud Detection and National Security Unit (FDNS) to lead the national anti-fraud operations for the USCIS; and
- Established the Science and Technology Requirements Council (SRC) to provide the operational components of the Department with a mechanism to bring their operational mission needs to the S&T Directorate.

To enhance **PROTECTION** we:

- Provided security advances for protective stops in support of the presidential campaign;
- Completed the third full-scale exercise in the Department's Top Officials series, known as TOPOFF 3, which was the largest and most comprehensive terrorism-response exercise ever conducted, involving more than 10,000 participants from more than 275 government and private-sector organizations; and
- Met our goal of implementing planned activities geared toward lowering maritime security risk



and providing the visibly demonstrated capability and heightened awareness that disrupts criminal and terrorist planning.

To better our **RESPONSE** we:

- Operated one of the largest search-and-rescue operations in United States history following Hurricane Katrina;
- Expanded cooperation among multiple U.S. government agencies to enhance the sharing of biometric data and other information between domestic and international organizations; and
- Met our aggressive goal of limiting oil spills by providing a unified framework to tie together the efforts of maritime industries, and local, state and Federal officials in responding to catastrophic environmental threats.

To upgrade **RECOVERY** we:

- Provided Federal support to state and local officials, volunteer organizations, and families who have been devastated by hurricanes Katrina and Rita. Federal benefits as of the end of fiscal year 2005 include:
  - Katrina total expedited financial assistance awarded: \$2.4 billion to 688,000 households.
  - Rita total expedited financial assistance amount awarded: \$78 million to 37,000 households.
  - Total Transitional Housing Assistance awarded: \$748 million reflecting 317,000 approved applications.

To further **SERVICE** we:

- Increased productivity and refined processes and automated services, which yielded a significant reduction in the backlog of applications for immigration services and benefits from approximately 3.8 million cases in January 2004 to approximately 1 million in September 2005;
- Opened USCIS offices nationwide to displaced customers from the Gulf Coast in order to replace immigration documents and reschedule naturalization ceremonies; and
- Continued to maintain the Ongoing Vessel Traffic Service, waterways management improvements and existing visual and radio aids to navigation, which have contributed to a steady decline in collisions, allisions (vessels striking a fixed object) and groundings (CAG).

To expand **ORGANIZATION EXCELLENCE** we:

- Completed a review of the entire Department and made recommendations to the President and the Legislative Branch detailing a restructuring that will allow the Department to achieve better results;
- Consistently provided all our employees opportunities for additional training to broaden their abilities; and
- Strived to enhance the one-culture ideal in all components of the Department.

**Note:** Shortly after the Department was created in 2003, the Secretary established seven strategic goals to guide our priorities and inform our actions. These goals and their subsidiary objectives describe our role and responsibility to the nation. We realized, through continuous use of the Department's Strategic Plan during fiscal year 2005 that some of the strategic objectives should be revised.

Accordingly, we made selective adjustments that do not produce widespread changes in the plan, but will be communicated with the fiscal year 2007 budget submission per Office of Management and Budget Circular A-11. The Department's objectives included in this report reflect those adjustments and were used during fiscal year 2005.

## FINANCIAL INFORMATION

Section III, Financial Information, contains the Department's consolidated financial statements and disclosures. Below are some highlights from fiscal year 2005. The Department:

- Became a CFO Act agency with passage of the Department of Homeland Security Financial Accountability Act (FAA). The Department implemented FAA internal control provisions by: (1) establishing an Internal Control Committee, (2) issuing an Implementation Guide for complying with the Department of Homeland Security Financial Accountability Act, (3) completing an internal control assessment of the consolidated financial reporting process within the Office of the Chief Financial Officer, and (4) preparing a Secretary's Assertion on Internal Controls over Financial Reporting.
- Commenced recovery audit contract work at CBP and ICE which, to date, has identified more than \$2.2 million and recovered more than \$1.8 million of improper payments and completed improper payment sample testing at all components. The Department completed these actions in support of the President's Management Agenda (PMA) erroneous payments program initiative.
- Expanded the Working Capital Fund (WCF) from 29 programs with a spending activity of \$107 million in fiscal year 2004 to 57 programs with a spending activity of \$301 million in fiscal year 2005. The Department achieved WCF-related savings by centralizing services and avoiding redundancies across components. It also synchronized the WCF and appropriated budget request cycles.
- Resolved a fiscal year 2004 reportable condition at USCIS related to deferred revenue on Immigration and Naturalization applications. This reportable condition was a long-standing material weakness at the pre-Department of Homeland Security legacy agency, the Department of Justice.
- Implemented a new Oracle Federal financials system at the Secret Service and deployed the last phase of CBP's SAP (SAP America Inc.) enterprise solution implementation.
- Consolidated the number of financial management centers from 10 to 8 as the Federal Protective Service (legacy General Services Administration) became part of ICE, and TSA switched accounting providers from the Federal Aviation Administration (Department of Transportation) to the USCG.
- Qualified for more than \$8.6 million in bankcard program refunds. Bankcard spending, with its sharply lower procurements, grew to more than \$1 billion.

## IMPLEMENTING THE PRESIDENT'S MANAGEMENT AGENDA

**T**he *President's Management Agenda* was launched in August 2001 as a strategy for improving the management and performance of the Federal government. It focuses on the areas where deficiencies were most apparent and where the government could begin to deliver concrete, measurable results. The agenda includes five original initiatives: Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanding Electronic Government, and Budget and Performance Inte-

gration. In addition to these initiatives, two new initiatives were subsequently added to the scorecard: Eliminating Improper Payments and Real Property. The Office of Management and Budget (OMB) regularly assesses all Federal agencies' implementation of the *President's Management Agenda*, issuing an Executive Branch Management Scorecard rating of green, yellow or red for both status and progress to achieve standards on each initiative. Overall, the Department improved in one of the progress categories from last year's scorecard. The scorecard OMB released for the period ended September 30, 2005, rated the Department's status as yellow on three of the seven initiatives and red on the remaining four. Progress scores were five green, one yellow and one red; a decline by one level in two categories from the previous year's scorecard due to OMB's higher standards for fiscal year 2005.

It should be noted that each year the standards for attaining green in the progress area are made more demanding. Additionally, while the statuses of some of our initiatives are red, the Department continues to demonstrate progress in implementing most government-wide initiatives and all program-specific initiatives.

PRESIDENT'S MANAGEMENT AGENDA SCORECARD		
(as of September 30, 2005)		
	FY 2005	
	Status	Progress
Human Capital		
Competitive Sourcing		
Financial Performance		
E-Government		
Budget & Performance		
Eliminating Improper Payments*		
Real Property*		
* Program-Specific Initiatives		

Under each standard, an agency is “green” if it meets all of the standards for success, “yellow” if it has achieved some but not all of the criteria and “red” if it has one or more serious flaws.

## NEXT STEPS

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**L**ooking toward the future, we will be a focused, 21st century department that coordinates the resources and efforts of the Federal government against terrorism and prepares for natural disasters and other incidents. We will break down the organizational impediments that have hindered past efforts. We will prevent, protect and respond to terrorist attacks on the American way of life as well as prepare, plan and respond to natural disasters.

As an outcome of the Secretary's Second Stage Review conducted this year, the Department developed a six-point agenda to ensure that the Department's policies, operations and structures are aligned in the best way to address the potential threats – both present and future – that face our nation.

The six-point agenda will guide the Department in the near term and result in changes that will:

1. Increase overall preparedness, particularly for catastrophic events;
2. Create better transportation security systems to move people and cargo more securely and efficiently;
3. Strengthen border security and interior enforcement and reform immigration processes;
4. Enhance information sharing with our partners;
5. Improve the Department's financial management, human resource development, procurement, and information technology; and
6. Realign the Department's organization to maximize mission performance.